

**Fact Sheet:**  
**Obama's Plan to Win the Future**

THE WHITE HOUSE  
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**The State of the Union:**  
**President Obama's Plan to Win the Future**

In his State of the Union, President Obama spoke of the need to maintain America's leadership in a rapidly changing world so that our economy is competitive – growing and working for all Americans. To do so, he is putting forward a plan to help the United States win the future by out-innovating, out-educating, and out-building our global competition. At the same time, the President understands the need to reform the way our government does business and take responsibility for our deficit – by investing in what makes America stronger and cutting what doesn't.

- **Innovate:** The President is calling for new investments in American innovation. The President's Budget will help increase the nation's R&D investments, as a share of GDP, to its highest levels since President Kennedy. He is issuing a challenge to America's scientists and engineers to invent new clean energy technologies that will lead the world. To incentivize these innovations, the President is calling for 80 percent of America's electricity to come from clean sources by 2035, including wind, solar, nuclear, clean coal and natural gas. He is also putting forward measures to ensure that the U.S. is the first country to put 1 million advanced technology vehicles on its roads.
- **Educate:** The President understands that to win the future, we have to win the race to educate our children. Building on the success of Race to the Top, he is calling on Congress to re-define and right-size the federal role in education, by replacing No Child Left Behind with a new law that raises expectations, challenges failure, rewards success, and provides greater flexibility for schools to innovate and improve results for their students. The President is also pledging to prepare an additional 100,000 science, technology, engineering, and math teachers by the end of the decade. To help restore America's global leadership in higher education, the President will continue efforts to strengthen the Pell Grant program and is calling on Congress to make permanent his American Opportunity Tax Credit, worth \$10,000 for four years of college.
- **Build:** The President is calling for a new effort to ensure that the U.S. has the fastest, most reliable ways to move people, goods, and information – from roads and airports to high-speed rail and high-speed Internet. He is proposing efforts to repair and rebuild America's infrastructure and put forward a National Wireless Initiative to help business extend the next generation of wireless coverage to 98 percent of the population.

- **Reform:** The President is working to reform government so that it is leaner and smarter for the 21st century, removing barriers and creating new incentives for growth. The President has ordered a review of regulations to remove needless burdens, while ensuring common sense standards to protect the American people. He also asked for efforts to merge, consolidate and reorganize federal agencies to make America more competitive. The President is urging reforms to further reduce the rate of health care cost growth, including medical malpractice liability. And to ensure that the U.S. remains the best place for businesses to invest, President Obama is calling to reform our corporate tax system, eliminating loopholes and lowering the corporate rate without adding to the deficit.

- **Responsibility:** The President recognizes that both parties and both houses of Congress must come together to reduce our deficits. As a step toward achieving that goal, he is calling for a five-year freeze on all spending outside of security, Medicare, Medicaid and Social Security. This freeze will require substantial cuts, including to programs the President supports, to allow for the investments in education and research that our economy needs. He called for a bipartisan effort to strengthen Social Security to safeguard it for future generations, and wants both parties and both houses of Congress to work together to cut spending wherever it may be appropriate, including health spending, defense spending and spending in the tax code.

## INNOVATE

From the Internet to GPS, inventions by talented scientists and engineers supported by government investments have created good middle class American jobs and transformed the world. That is why the President's Budget will help America win the future, increasing the nation's research and development investment as a share of GDP to its highest level since President Kennedy launched the space race. President Obama's innovation agenda includes:

- **A new commitment to supporting clean energy technology, paid for by ending taxpayer subsidies for fossil fuels:** The President's Budget will propose increasing clean energy technology funding by a third compared to 2010, including an expansion of the successful ARPA-E research program and a doubling of the number of Energy Innovation Hubs operating around the country. These Hubs will allow America's scientists and engineers to gather the best minds in their fields, and focus on the hardest problems in clean energy. The President's Budget will also focus on high-value research on clean energy deployment, including more than doubling investments in energy efficiency and a more than 85 percent increase in renewable energy investment. These investments will support the "\$1 a Watt" initiative to make solar energy cost competitive; increased funding for 24-hour geothermal renewable energy; and industrial efficiency to keep U.S. manufacturing competitive. To ensure that we make these investments without adding to the deficit, the President called for ending the approximately \$4 billion per year in tax subsidies to oil, gas and other fossil fuel producers.

- **Putting 1 million advanced technology vehicles on U.S. roads by 2015:** In 2008, the President set an ambitious goal of putting 1 million advanced technology vehicles on the road by 2015 – which would put us on a path to reducing oil consumption by 785 million barrels by 2030. While the President's efforts to date have positioned the U.S. to meet that goal, more is needed to ensure that the U.S. is the first country to put 1 million advanced vehicles on its roads. To reach

that goal, President Obama will propose in his Budget a new effort to support electric vehicle manufacturing and adoption in the U.S. through improved consumer rebates, investments in R&D, and competitive programs to encourage communities that invest in electric vehicle infrastructure. This builds on our ongoing efforts to reduce dependence on foreign oil through aggressive steps including strong fuel economy standards for cars and trucks and significant investments in biofuels.

- Doubling the share of electricity generated from clean energy sources by 2035: By proposing to make sure that 80 percent of electricity comes from clean energy sources, the President is proposing new standards that will help create a market to unleash innovation across a range of energy sources, from renewable sources to nuclear power, clean coal, and natural gas. This standard would be coupled with new efforts to promote energy efficiency that save money for American families and businesses – including a new initiative to catalyze private sector investment and upgrade commercial buildings such as offices, stores, schools and other municipal buildings, universities, and hospitals. It will also build on the U.S. Department of the Interior’s efforts to site more renewable energy projects on public lands than at any point in history.

## EDUCATE

To guarantee America’s continued success, no race is more important to win than the one to educate our children. That is why President Obama remains committed to the goal of preparing every student to graduate from high school ready for college and a career. The President is focused on ensuring that America reclaims its leadership in the world with the highest proportion of college graduates by the end of the decade. To transform our education system, the President called for:

- Raising expectations to reform America’s schools: Building on the success and reforms of Race to the Top, the President is pledging to work with Congress to apply a bipartisan approach to replacing No Child Left Behind. The Administration’s Blueprint for Reform calls for a re-defined federal role in education that will raise expectations for schools and students, and make room for states and school leaders to lead the way in improving results. The President’s Budget will call for bold restructuring of federal funding to focus on a new goal of college and career readiness for all students.

- Preparing 100,000 new STEM teachers: President Obama has proposed efforts to prepare 100,000 new teachers in science, technology, engineering, and math – key skills for the best jobs in America. The President’s plan will expand promising and effective teacher preparation models and prepare more of the nation’s top STEM graduates for a teaching career.

- Promoting college access and completion: The President will continue efforts to strengthen the Pell Grant, promote more affordable student loans, and revitalize and expand access to America’s community colleges. In addition, the President called on Congress to make permanent the American Opportunity Tax Credit that’s worth up to \$10,000 for four years of college and has helped millions of middle class families reinvest real dollars in their children’s higher education.

- Reforming immigration laws to stop expelling talent: The President asked Congress to work with him to reform our immigration system in a comprehensive manner so that we stop expelling talented and responsible young people, whether they were brought here by their parents as children, or come from other countries to pursue college and advanced degrees. As we work to rebuild the economy, our ability to thrive depends, in part, on restoring responsibility and accountability to our immigration system.

## BUILD

President Obama called on the nation to repair our existing infrastructure and build new ways to move people, goods and information; from high-speed trains to high-speed Internet – creating middle-class jobs and strengthening our ability to win the future by competing in a global economy. The President’s plan to redouble our efforts on infrastructure includes:

- Repairing roads, bridges and transit: The President’s Budget will outline a comprehensive, six-year plan to leverage our resources to repair crumbling roads, bridges, and transit. It will feature up-front investments that will both help generate hundreds of thousands of jobs now and lay a foundation for future economic growth that will benefit all Americans. It will also include transformational investments such as an infrastructure bank that will revolutionize infrastructure finance, leveraging government resources through attracting private capital to build projects of national and regional significance. The President is committed to making sure that this infrastructure program is fully paid for, and free of earmarks.
- Increasing access to high-speed rail: The President is proposing a significant down payment on a national rail network so that, within 25 years, 80 percent of Americans have convenient access to the high-speed rail system, cutting travel time in half relative to driving a car. This new system of high-speed and intercity passenger rail will connect communities, reduce travel times and congestion, create skilled manufacturing jobs that can't be outsourced, and spur new innovations by the next generation of American entrepreneurs.
- Launching a National Wireless Initiative to provide 98 percent of Americans access to high-speed Internet: To move toward connecting every American to the digital age, including rural communities, the President announced that he will work to help business extend the next generation of wireless services to 98 percent of all Americans. This National Wireless Initiative will enable businesses to grow faster, students to learn more, and public safety officials to access state-of-the-art, secure, nationwide, and interoperable mobile communications. For public safety officials, this can mean the difference between success and failure, or even life and death; as such technologies can allow emergency workers to access building designs at the scene of an accident and police officers to send pictures to one another in real-time. Finally, the initiative will foster the conditions for the next generations of wireless technology, nearly doubling the amount of wireless spectrum available for mobile broadband (through incentive auctions and other mechanisms to ensure spectrum is used more efficiently) and providing critical support for R&D in wireless innovation.

## REFORM

The President is committed to reforms that make government leaner, smarter, more open and ready for the 21st century. These reforms will enable America to win the future by removing barriers and creating incentives for growth, while protecting the health, safety, and well-being of the American people.

- **Reforming the corporate tax code:** The President is proposing a bipartisan effort to reform the corporate tax code to support economic growth, competitiveness and investment in the United States. Over decades, the corporate tax code has been filled by deductions and loopholes that benefit narrow interests and erode our tax base and requires us to have one of the highest corporate tax rates in the world. This system is working against our economy's competitiveness and growth potential. That is why the President is calling for a fundamental reform of the corporate tax system to close loopholes and use the savings to pass the first reduction in the corporate tax rate in 25 years, without adding a dime to the deficit.

- **Passing trade agreements that help reach our goal of doubling exports by 2014:** As part of his commitment to doubling exports by 2014, the President is calling for trade agreements that keep faith with American workers and create American jobs. In keeping with that framework, he is also calling on Congress to pass the recently completed U.S.-Korea Free Trade Agreement. In addition, he is calling to extend this successful model of trade talks to new potential trade deals – from South America to Asia Pacific, and to our global trade talks. He will also push for additional export agreements like the recently signed agreements with India and China that will support more than 250,000 jobs in the U.S.

- **Building on deficit reduction in the Affordable Care Act with additional measures to reduce health care costs – including medical malpractice reform:** Building on the deficit reduction already passed through the Affordable Care Act, the President said his Budget will include further efforts to reduce the cost of health care. As part of these efforts, the President pledged to work with Republicans to support state reforms of medical malpractice systems to bring down costs and improve care – building on Administration efforts already underway to assess what works in medical malpractice reform.

- **Reviewing and eliminating burdensome regulation:** President Obama has ordered a review of regulations to ensure that the government is achieving the right balance between safeguarding the public through common sense standards, without needlessly burdening business.

- **Reorganizing the Federal Government:** The President announced that, in the coming months, he will ask for the authority to merge, consolidate, and reorganize the Federal Government in a way that makes America more competitive – the first such reorganization in half a century.

- **Restoring faith in government:** The President stated his commitment to new measures to restore faith in government – including providing taxpayers with a website that shows them how their tax dollars are being spent, renewing his call to veto special interest “earmarks” in all legislation, and asking Congress to publish all visitor records so Americans can know when lobbyists are meeting with elected officials and to pass the DISCLOSE act so that Americans can know when special interests are funding political campaign activity.

## RESPONSIBILITY

The President made clear that now is the time to make the hard choices to reduce our deficits without sacrificing the investments we need to win the future – and that doing so will require bringing together members of both parties and both houses of Congress. As part of a down-payment on these efforts he is proposing in his Budget, the President is:

- Proposing a five-year freeze on discretionary spending: As a down payment toward reducing the deficit, the President is calling for a five-year freeze on non-security discretionary spending. The freeze will reduce the deficit by more than \$400 billion over 10 years, and bring non-security discretionary spending to the lowest share of the economy since President Eisenhower was in office. This freeze will require substantial cuts, including to programs the President supports. In areas outside the freeze, we also will be looking for cuts and efficiencies. For instance, the President is putting forward a five-year plan proposed by Secretary Gates to achieve an additional \$78 billion in defense savings.
- Strengthening Social Security for future generations: The President pledged to work with both parties to safeguard Social Security for future generations. He called for a bipartisan solution, working with both houses, that will strengthen Social Security and its protections for the most vulnerable – without putting at risk current retirees or people with disabilities, slashing benefits for future generations, or subjecting Americans' guaranteed retirement income to the whims of the stock market.
- Ending the extension of the tax cuts for the wealthiest 2 percent: The President reiterated his strong opposition to permanent extension of tax cuts for the wealthiest 2 percent. The President believes that given the hard choices we need to invest in the future and reduce our deficits, we need to allow the upper-income tax cuts to expire and return the estate tax to its 2009 levels.

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